

## **Discussion and conclusion**

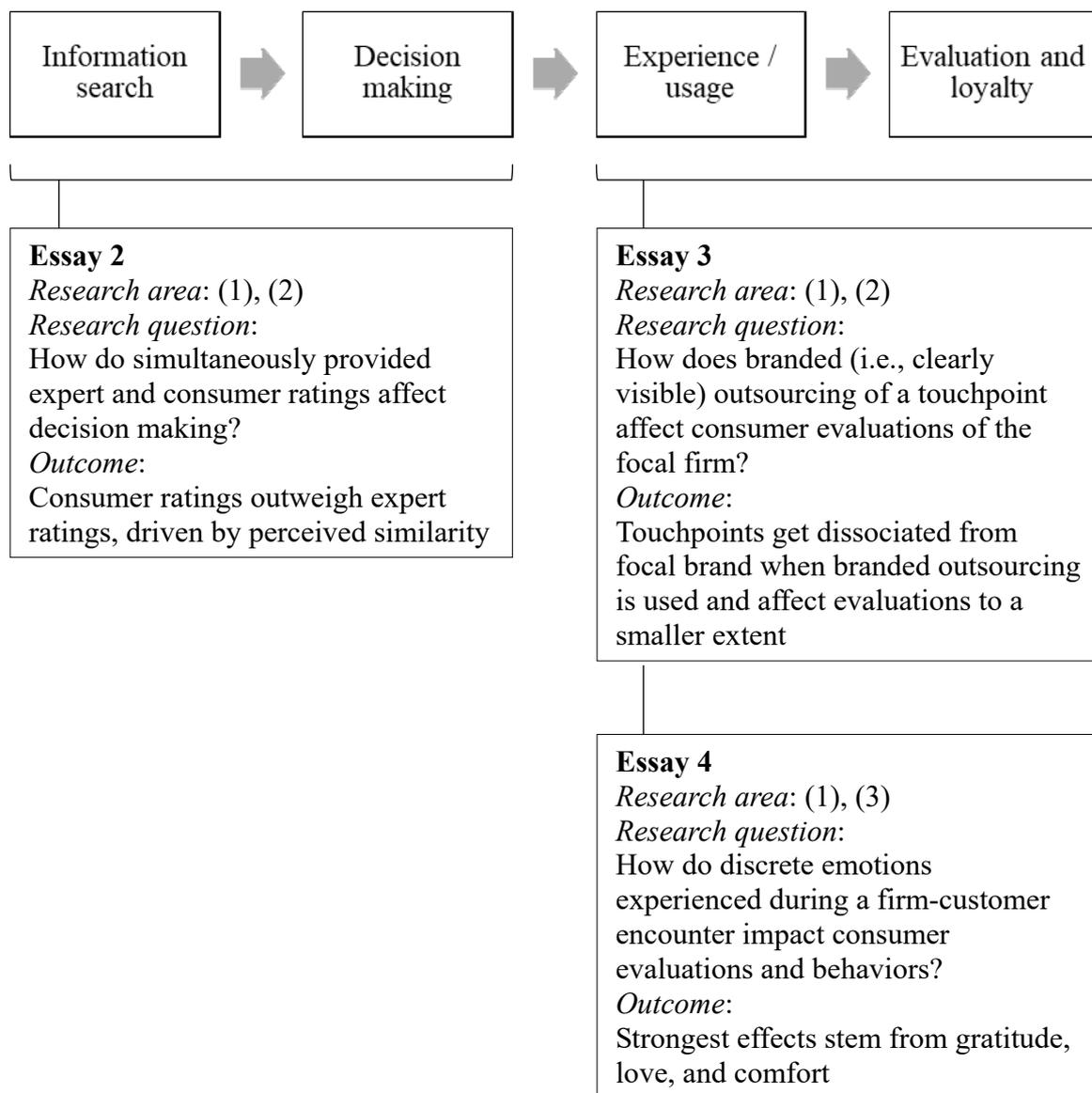
The aim of the present dissertation was to study what influences customers' experiences throughout their journeys with a firm. Both research and practice emphasize the need to better understand the concept of customer experience (e.g., Gartner 2014; MSI 2014). As a first step, essay 1 provided an integrative literature review of three decades of customer experience research. The findings of this review subsequently served as a foundation for the following three chapters that zoom in on specific factors that influence consumers' experiences in specific phases of the customer journey. Essay 2 investigates how consumers make use of simultaneously provided quality ratings from expert and peer sources, while essay 3 analyzes the consumer-level consequences of outsourcing decisions. Finally, essay 4 meta-analyzes the effects of discrete emotions on firm-relevant outcomes. In the next section, I will discuss the theoretical and practical implications of the findings of this dissertation, starting with essay 1 as a foundation.

### **Theoretical implications**

Specifically, essay 1 discovered four important areas for future research: (1) applying a bilateral view of the customer journey, (2) managing external factors as firm resources, (3) cognitive, affective, and sensory evaluations of the customer journey, and (4) assessing CE on different levels (see essay 1). The focus of this dissertation builds on the finding that CE research takes place from two perspectives: the organizational and consumer perspectives (research area 1). While the organizational perspective deals with the design and management of CEs, the consumer perspective analyzes how consumers perceive different factors of their experiences. Although both perspectives analyze the same phenomenon they are mostly unconnected. While the organizational perspective mainly focuses on touchpoints that are directly controllable by firms, the consumer perspective investigates the impact of touchpoints that are beyond firm control. To counter

this disconnect, the remaining three chapters provide consumer research based approaches to CE design and management. At the same time, essays 2 and 3 further contribute to knowledge on how to manage external factors as firm resources (i.e., other customers in essay 2 and other firms in essay 3; research area 2) and essay 4 investigates the role of emotions in the customer journey (research area 3; assessing CE on different levels is beyond the scope of this dissertation; see Figure 1).

**Figure 1** Areas for future research identified in essay 1 and focus of essays 2 to 4



Essay 2 investigates the information search and decision making phase of the journey, and specifically how consumers make use of different sources of advice in their decision making. We analyze how the simultaneous presentation of expert and consumer ratings affects consumers' evaluations of credence services. Essay 3 studies how outsourcing of a touchpoint affects consumers' experiences with a firm. While outsourcing decisions are typically made based on internal cost and process considerations, we offer a consumer experience based perspective to show that outsourcing also has important consequences for consumers' firm evaluations. We show that branded outsourcing (i.e., outsourcing that is clearly visible to the consumer) of a touchpoint can be used as a strategic means by firms to dissociate themselves from negative touchpoints. Finally, essay 4 meta-analyzes which discrete emotions have the strongest influence on consumer evaluations and behaviors when experienced during a touchpoint. Doing so, we provide consumer research informed insights that help firms in deciding which discrete emotions to trigger and which to avoid.

The second essay contributes to literature on customer experience management by analyzing how consumers make use of different information sources in their decision making phase. Specifically, we find that when consumers are simultaneously exposed to conflicting quality ratings from other consumers and experts on an online rating platform, they are influenced more strongly by their peers. Even for complex credence services other consumers' subjective ratings overrule contrasting opinions of experts in the field. Credence services constitute an important context to test this effect as consumers have difficulties evaluating the quality of such a service even after experiencing them (Darby and Karni 1973). Consequently, one might expect that consumers are more inclined to follow the advice of a more knowledgeable expert. However, in our study—which is the first to test the impact of both sources simultaneously and when recommendations are

conflicting—we confirm the importance of other consumers’ opinions over expert advice. When being exposed to conflicting advice, consumers might experience ambivalence in their evaluation. In situations in which it is straightforward for consumers to identify the source of such ambivalent feelings (i.e., here the conflicting ratings), ambivalence was found to trigger systematic processing of the stimuli at hand and a strong reliance on relevant information (Guarana and Hernandez 2016). In contrast to the findings by Guarana and Hernandez (2016) we find that consumers still seem to engage in decision making characterized by heuristic biases. Our study reveals that the decision to follow the consumer rather than the expert advice is explained by levels of perceived similarity with the other consumers. This perceived similarity even outweighs the lack of the other consumers’ perceived expertise.

The third essay contributes to literature on customer experience management by analyzing how branded outsourcing of a touchpoint during the experience and usage stage of the customer journey affects consumer evaluations. Specifically, we find that when using branded outsourcing for dissatisfying touchpoints consumer evaluations of the focal brand are more positive compared to when the touchpoint is performed under the focal firm brand itself. However, the opposite holds for satisfying touchpoints: evaluations of the focal firm are more negative when branded outsourcing is used. Surprisingly, we further find that branded outsourcing has the most beneficial effect when outsourcing a touchpoint to a weak rather than a strong third-party brand. These findings are novel and important as they suggest that considering the consumer perspective on outsourcing decisions is valuable. In contrast, prior research on outsourcing decisions largely neglects the consumer perspective and approaches decisions solely based on internal cost and process considerations (e.g., Kremic et al. 2006). From a customer experience perspective our findings emphasize that firms can strategically shape the customer journey using

branded outsourcing as a way to overcome “pain” moments experienced by consumers. In line with conceptual research on service-delivery networks (e.g., Tax et al. 2013), we empirically shed light on how other firms involved in the customer journey also influence consumers’ experiences with the focal brand. Contrary to prior attribution research emphasizing that the assignment of blame strongly influences consumers’ evaluations (e.g., Van Vaerenbergh et al. 2014), we show that brand associations are a better predictor of branded outsourcing effects. Specifically, we find that when branded outsourcing is used, the outsourced touchpoint gets associated less with the focal brand and thus also has a reduced impact on focal brand evaluations.

The fourth essay contributes to literature on customer experience management by analyzing which emotions during the experience phase have the strongest impact on consumer evaluations and behavior. We meta-analyze the effects of specific emotions on consumer evaluations, purchase behavior, and sharing. We show that analyzing discrete emotions offers more explanatory value than only focusing on valence and arousal. Contrary to prior research emphasizing the importance of high-arousal emotions (e.g., Gorn et al. 2001), our meta-analysis reveals that the strongest impact across all studies stems from gratitude, love, and comfort (i.e., emotions with only medium levels of arousal). Furthermore, we find that positive emotions show a consistently stronger impact on evaluations and behaviors than negative emotions do. This finding contradicts research on the negativity bias (e.g., Baumeister et al. 2001) that draws from prospect theory (Kahneman and Tversky 1999). Instead, our findings are in line with a positivity bias perspective (e.g., Skowronski and Carlston 1989). These findings are novel and interesting for customer experience research as much prior research takes up the negativity bias perspective and assesses the impact of negative—often high-arousal—emotions such as anger (e.g., Bougie et al. 2003). Our meta-analytic findings further confirm that emotions

do play an important role in consumers' experiences, but that this role is not universal. First, only specific (mostly positive) emotions consistently impact outcome variables across studies. Second, while the effects on evaluation and sharing behavior are substantial, the effects on actual purchase behavior are much weaker. Third, the impact of emotions often depends on situational- and consumer-factors such as consumers' level of expertise, whether a service recovery took place, or whether the consumer used a search, experience, or credence good or service. While the importance of emotions is one of the core premises of customer experience literature (e.g., Lemon and Verhoef 2016), our findings relativize this and give clear insights into for which emotions and in which situations this premise holds.

### **Practical implications**

Most importantly, the findings of this dissertation suggest that firms must incorporate the consumers' perspective when designing and managing their customer experiences. Firms must understand which touchpoints form journeys from their customers' point of view. Some touchpoints and influencing factors might not be obvious to the focal firm and beyond their direct control (e.g., the impact of other customers or other firms). Nonetheless, firms should take a more active role in trying to manage those influences or at the very least be aware of them when designing their "own" touchpoints. Essay 1 further points to the importance of distinguishing between static and dynamic CE. Optimizing specific touchpoints (i.e., focusing on static CE) is beneficial for some firms (e.g., gift shops at holiday destinations), while optimizing the whole customer journey (i.e., focusing on dynamic CE) is more important for other firms (e.g., providers of complex services). Consequently, firms should investigate which level of CE is most important for its customers and adjust its efforts accordingly. For instance, customer journey

management and design, customer satisfaction surveys, as well as a firm's organizational structure could both be organized around static or dynamic CE.

The second essay provides important insights into how firms should design decision support platforms for their consumers. When providing not only consumer but also expert ratings to help consumers make the best possible decision (as consumers often cannot assess the technical quality of a credence service), firms should not assume that consumers make careful use of all available information. To support consumers in their decision making and use of different sources of advice, firms should firstly include the number of opinions underlying a rating as it acts as an important moderator of the effect of consumer over expert ratings. Secondly, firms could consider explicitly separating service experience ratings from ratings of technical quality. When doing so, consumers can choose which factor is more important to them. This might lead to better informed decisions compared to a pure reliance on the more similar source (i.e., other consumers).

The third essay provides insights into how firms can strategically leverage outsourcing decisions to improve consumer evaluations. When outsourcing a touchpoint, firms should use branded outsourcing for touchpoints that are perceived as dissatisfying by consumers. The dissatisfaction can stem from the inherent nature of the touchpoint (e.g., payment is perceived negatively) or from its execution (e.g., employee is unfriendly). Contrarily, firms should use unbranded outsourcing for touchpoints that are perceived as satisfying. Thus, unbranded outsourcing is beneficial for consumer evaluations when employed for inherently satisfying touchpoints or those that the third party can execute well. Further, our findings suggest that firms should outsource to a weak rather than a strong third-party brand and that a post-hoc communication of the involvement of a third party does not have the same distancing effects. The effects of branded outsourcing can be explained by brand associations rather than attributions of responsibility. Consequently,

assigning blame to a third party and explaining why a touchpoint was dissatisfying should be avoided as it associates the focal firm with the touchpoint. Instead, in case of dissatisfying touchpoints, all further communication should be avoided.

The fourth essay provides insights into which specific emotions firms should try to stimulate and which ones to avoid. Interestingly, our findings suggest that triggering positive emotions seems more valuable for firms than avoiding negative ones. If resources are unlimited, both should be pursued. In case of scarce resources however, our findings suggest to especially focus on developing strategies to stimulate feelings of gratitude, love, comfort, and joy. Surprisingly, the strongest negative effect stems from boredom. Firms are often focused on dealing with angry customers, but those effects were found to be smaller in magnitude. While avoiding anger is often difficult, it is relatively straightforward to avoid consumers' boredom, for instance by employing gamification strategies for supposedly boring services such as insurances, or minimizing or filling waiting times. Our results further suggest that the importance of emotions differs depending on the firm's goal: the above mainly applies for consumers' evaluations. When firms want to positively influence purchase behavior they should focus equally on avoiding negative emotions such as anger, frustration, boredom, and disappointment. When firms want their consumers to share their experiences with others, then again they should try triggering positive emotions such as comfort, excitement, and gratitude.

### **Future research**

The present dissertation started out with reviewing three decades of customer experience research and setting up a research agenda. Subsequently, three essays focused on integrating the consumer perspective into customer experience management, which was one of the main topics missing in prior CE research. Furthermore, the first essay also revealed that the majority of studies assesses CE on a static level (i.e., at one point in

time). Future research should especially focus on *dynamic* effects in CE. We still know little about how different touchpoints and different channels in the customer journey influence each other. As CE is a subjective phenomenon, it would be a fruitful path for future research to analyze how consumer expectations and affective connections impact how consumers form relationships with firms over the entire course of their customer journey.

Although the present dissertation provides valuable insights into the factors that influence consumers in the different phases of their customer journeys, there is still much to be learned. For the information search and decision making stage, future studies should assess how other platform and rating characteristics moderate the effects of different information sources. Furthermore, as online ratings only constitute one among many potential information sources, it would be valuable to analyze how the influence of online quality ratings interacts with other sources such as offline word-of-mouth. For the experience and usage stage as well as the following evaluation stage, it would be interesting for future research to not only focus on self-reported measures but to assess the monetary consequences of outsourcing decisions or consumers' emotions. While initial decision making is easy to assess, actual consumer behavior over time and its financial consequences are much more difficult to investigate. Furthermore, it would be a fruitful path for future research to also investigate other potential factors that influence consumers in their actual experiences, such as other customers, the offerings of competitors, or the interplay of their cognition and emotion.

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